

MONTANA LEGISLATIVE HISTORY

Chapter 354 19 79

Bill H 20 S _____

Original bill & history ✓ C

H. Committee on Taxation

Hearing Date(s) 1-10 ✓ C

1-11 ✓ C

_____ C

_____ C

Date Out _____ C

S. Committee on Business & Ind.

Hearing Date(s) 3-14 ✓ C

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Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

CHAPTER NO. 354

HOUSE BILL NO. 20

INTRODUCED BY DOZIER

BY REQUEST OF THE DEPARTMENT OF PUBLIC SERVICE REGULATION

IN THE HOUSE

January 4, 1979	Introduced and referred to Committee on Taxation.
January 6, 1979	On motion, joint rule 6-6 suspended and sponsor's signature allowed to be added to prefiled bill.
January 12, 1979	Committee recommend bill do pass and be placed on Consent Calendar. Report adopted.
January 13, 1979	On motion rules suspended and bill placed on second reading this day. Second reading, do pass. On motion rules suspended and bill placed on third reading this day. Third reading, passed. Transmitted to second house. Engrossed before transmitted.

IN THE SENATE

January 15, 1979	Introduced and referred to Committee on Business and Industry.
March 14, 1979	Committee recommend bill be concurred in. Report adopted.
March 15, 1979	Second reading, concurred in.
March 17, 1979	Third reading, concurred in.

IN THE HOUSE

March 19, 1979

Returned from second house.
Concurred in. Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 20

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF PUBLIC SERVICE REGULATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND SECTION 69-3-501, MCA, TO PROVIDE THAT A MINIMUM REVENUE BE DERIVED FROM MONTANA SOURCES BY CERTAIN UTILITIES IN ORDER TO SUBJECT THE ISSUANCE OF SECURITIES AND CREATION OF LIENS BY THE UTILITY TO REGULATION BY THE PUBLIC SERVICE COMMISSION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-3-501, MCA, is amended to read:

"69-3-501. Regulation of issuance of securities and creation of liens by utilities. (1) ~~The right of every~~ ~~Whenever a public utility, as defined in 69-3-101,~~ furnishing electric or gas service in the state ~~has revenue derived from sources in Montana which exceeds \$5 million or 5% of its gross revenue, the utility's right to issue,~~ assume, or guarantee securities and to create liens on its property ~~situated within~~ in the state is hereby ~~subjected~~ subject to the regulation and supervision of the commission, as set forth in this part.

(2) ~~Each~~ The public utility, when authorized by order of the commission and not otherwise, may issue stocks and stock certificates and may issue, assume, or guarantee other

securities payable at periods of more than 12 months after the date thereof ~~thereafter~~ for the following purposes:

(a) the acquisition of property;

(b) the construction, completion, extension, or improvement of its facilities;

(c) the improvement or maintenance of its service;

(d) the discharge or lawful refunding of its obligations;

(e) the reimbursement of money actually expended for said purposes from income or from other money; or

(f) any other purpose approved by the commission."

-End-

46th Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HB 11	To raise personal income tax exemptions & raise minimum income requirements for filing returns; amend 15-30-112 and 142, MCA; provide effective date.	1/5/79	K. Keyser	3/16	DO NOT PASS	3/27
HB 20	Amend 69-3-501; provide certain utilities derive minimum revenue to enable issuance of securities & creation of liens by utility to regulation by public service commission.	1/5/79	R. Dozier	1/10	DO PASS 1/11 Held for consent calendar info	1/12
HB 53	Amend 39-51-1108, MCA, changing method of determining taxable wage base; provide effective date; retroactive application.	1/5/79	Transferred to Labor Committee			1/9
HB 60	Increase license tax on aviation fuel \$.02 gal. & to create revolving account for loans, grants, navigational aids to local govts. for aeronautical purposes; amend 67-1-301 and 15-70-204, MCA.	1/5/79	H. Fagg	1/15	DO PASS	2/1
HB 63	Increase gasoline license tax; tax on diesel fuel & volatile liquids by \$.01; amend 15-70-204 and 321, MCA.	1/5/79	E.N. Dassinger	1/12	DO PASS AS AMEND 2/2 Ret'd to Cmte 2/5 (Stmt. of Intent) Out w/Statement	2/3 2/9
HB 64	To vary tax on nonaviation gasoline up to \$.02/gal. contingent upon usage; amend 15-70-204, MCA.	1/5	E.N. Dassinger	1/12	DO NOT PASS AS AMENDED Returned to Committee - Passed Out with No Recommendation - Tie Vote	1/23 2/26

HOUSE TAXATION COMMITTEE

46th Legislature

Representative Herb Huennekens, Chairman of the House Taxation Committee, called the meeting to order at 8:00 a.m., January 10, 1979, in Room 434, Capitol Building, Helena, Montana. All members and the researcher were present.

Representative Robert Dozier, District #61, Yellowstone County, sponsored HB 20 at the request of the Department of Public Service Regulation. Several court cases are pending and some have been lost by the Public Service Commission because of legalities in Montana law regarding the necessity of holding hearings and advertising when applying for issuance of securities and creation of liens, which utilities claimed (and won) as being burdensome on interstate commerce when they had utility lines that fringed into Montana and were minute portions of their total operations. HB 20 would exempt such public utilities from regulation by the Public Service Commission when deriving less than \$5 million or less than 5% of their gross total revenue from within Montana in connection with the issuance of securities and creation of liens.

William J. Opitz, Public Service Commission representative, said the bill was requested by the commission because several court cases had been lost by them in district court decisions under Judge Meloy because the present law is in conflict with interstate commerce, and was considered unconstitutional impairment to interstate commerce. When a utility has sales of \$25 million in Montana and \$750 million in other states, they still will have to go to the Public Service Commission and have hearings if they want to go to the stock market or bond market and take a legal ad or sell stock. They thought that was an unconstitutional cost. The court only addressed the problem with Northern National. By amending to \$5 million or 5% of gross sales as being not liable for requirements, the law would not be considered unconstitutionally burdensome. There is the potential of three other utilities filing suits against the PSC if HB 20 is not passed.

There were no opponents to HB 20.

Potential companies that might file suits are Black Hills Power and Light who operate in southeastern Montana; Washington Water Power, Pacific Power and Light, maybe; Colorado Interstate Gas if they begin operations in the state.

Representative Bertelsen questioned how much revenue would be lost. Mr. Opitz advised the filing fee is \$2.00. The expense of filing legal notices and hearing expenses for each company would be saved.

The Committee adjourned to executive session.

Representative Reichert made a motion that House Bill 72 Do Pass. The motion was unanimously adopted.

5.

1/11/79

Page 4.

Committee executive session:-

Rep. Huennekens moved that House Bill 86 be Tabled, Unanimously adopted, Representative Johnson Was absent,

Rep. Fagg moved that House Bill 20 DO PASS. Motion was unanimously adopted, Rep. Johnson was absent.

Rep. Fagg made a motion that HB 20 be placed on the consent calendar subject to rules of the floor..

Rep. Underdal questioned advisability of doing this without a fiscal note, Rep. Fagg advised HB 20 has only a \$6 or \$9 effect on revenue. Motion was unanimously adopted. Rep. Johnson was absent.

Committee adjourned at 10:15 a.m.



REPRESENTATIVE HERB HUENNEKENS, Chairman



Secretary

COMMITTEE ON BUSINESS & INDUSTRY

BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CC CURRED IN DATE
HB # 13	1/15/79	----	3/1/79	----	Transferred to Highways and Transportation				
HB # 14	1/15/79	3/12/79	3/12/79					3/12/79	
HB # 15	1/15/79	----	3/1/79	----	Transferred to Highways and Transportation				
HB # 16	1/15/79	3/1/79	3/1/79				3/1/79		
HB # 17	1/19/79	----	3/1/79	----	Transferred to Highways and Transportation				
HB # 19	1/15/79	----	3/1/79	----	Transferred to Highways and Transportation				
HB # 20	1/15/79	3/14/79	3/14/79				3/14/79		
HB # 21	1/20/79	3/1/79	3/9/79					3/9/79	
HB # 24	1/27/79	3/9/79	3/9/79					3/9/79	
HB # 39	1/15/79	3/1/79	3/1/79				3/1/79		
HB # 57	1/27/79	3/14/79	3/14/79					3/14/79	
HB # 92	1/18/79	3/1/79	3/1/79				3/1/79		
HB # 108	1/20/79	3/3/79	3/3/79				3/3/79		
HB # 228	2/14/79								
HB # 241	2/7/79	3/14/79	3/14/79				3/14/79		
HB # 316	2/6/79	----	2/28/79	----	Transferred to Public Health Committee				

STATE LAW LIBRARY
AUG 10 1979
OF MONTANA

Mr. Jim Watson of Helena, representing the Montana Public Service Commission, distributed booklets entitled, Electrical Construction Regulations. This booklet is attached to the minutes. Mr. Watson's printed testimony is also attached to the minutes.

Mr. Bob Gannon of Butte, Montana, representing the Montana Power Company, stated they support HB 57.

Mr. James Hughes of Helena, representing Mountain Bell, stated they support the bill and offered an amendment to HB 57 as follows:

1. Page 2, line 15.
Following: "be"
Strike: "interpreted and"

There were no opponents to House Bill 57 present at the hearing.

There was a question and answer period from the Committee.

Senator Regan inquired how you could enforce something if you can't interpret it.

Mr. Hughes stated that the board would be able to interpret it.

Mr. Opitz and Mr. Gannon stated they would not object to the proposed amendment.

Representative Spilker made closing remarks stating that she would hope that the Committee would Concur In HB 57.

Chairman Hazelbaker closed the hearing on HB 57.

HOUSE BILL 20: Representative Robert Dozier, sponsor of House Bill 20 explained the bill to the Committee. This bill is by request of the PSC, and provides that only those companies that derive \$5 million or 5% of their gross revenue from Montana sources must have such approval.

PROPOSERS OF HOUSE BILL 20: Mr. Bill Opitz from the Public Service Commission stated this legislation is necessary and they support HB 20.

There were no other proponents or opponents to HB 20 present at the hearing.

There was a question and answer period from the Committee.

Senator Kolstad inquired as to how many customers would fall into this category.

Mr. Opitz stated that he thought three which are Black Hills Power & Light, Northern Natural Gas, and Washington Water and Power.

HOUSE BILL 241: Mr. William Groff from the Department of Revenue explained HB 241 to the Committee in the absence of Representative Menahan, sponsor of HB 241, who was unable to be present at the hearing. This bill provides for the consideration of all personal and family assets and financial resources (instead of income only) for purposes of determining eligibility for assistance under the Housing Act of 1975.

There were no other proponents or opponents to HB 241 present at the hearing.

Chairman Hazelbaker closed the hearing on House Bill 241.

DISPOSITION OF HOUSE BILL 241: Senator Dover moved that HB 241 Be Concurred In. Senator Goodover seconded the motion. The Committee voted unanimously that HOUSE BILL 241 BE CONCURRED IN.

Senator Dover will carry House Bill 241 on the floor.

DISPOSITION OF HOUSE BILL 20: Senator Kolstad moved that House Bill 20 Be Concurred In. The Committee voted unanimously that HOUSE BILL 20 BE CONCURRED IN.

Senator Kolstad will carry House Bill 20 on the floor.

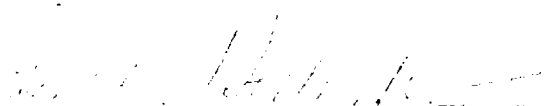
DISPOSITION OF HOUSE BILL 57: Senator Dover moved that the proposed amendment to HB 57 be adopted. Senator Regan stated that she resisted the amendment. Senator Hager stated that he supported the amendment. He feels the whole package should be bought. Senator Kolstad stated he felt they had no need for the amendment. Senator Goodover agreed with Senator Hager. Senator Regan stated she felt there was a question of semantics and would hope they would resist the amendment because the initial interpretation must be made at the local level.

A Roll Call Vote was taken on the adoption of the proposed amendment to HB 57. The motion to adopt the amendment passed by a 5-4 vote. This Roll Call Vote is attached to the minutes.

Senator Dover moved that House Bill 57 Be Concurred In as so amended. The Committee voted unanimously that HOUSE BILL 57 BE CONCURRED IN AS SO AMENDED.

Senator Regan moved that the Committee withhold executive action on HB 649 until we hear from Representative Kemmis regarding the bill. The Committee agreed to this.

ADJOURN: There being no further business, the meeting was adjourned at 11:00 a.m.



Senator Frank Hazelbaker, Chairman

March 14, 1979

MR. President:

We, your committee on Business and Industry

having had under consideration House Bill No. 20

Dozier (Kolstad)

Respectfully report as follows: That House Bill No. 20

BE CONCURRED IN
 THEREOF

NAME: William J. Opitz DATE: March 14, 1977

ADDRESS: 2 Wood Ct

PHONE: 443-3624

REPRESENTING WHOM? Mont PSC

APPEARING ON WHICH PROPOSAL: HB-20

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: This legislation is necessary to bring
the statute in line with a court decision
Northern Nat'l Gas vs FSC. As written,
the court declared that the statute was
UNCONSTITUTIONAL, burden on
ON ~~interstate~~ ~~int~~ interstate commerce.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

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-End-